

SMALL BUSINESS LOAN FUND CORPORATION

MINUTES OF THE BOARD OF DIRECTORS

December 17, 2009

A monthly meeting of the Board of Directors (the "Board") of the Small Business Loan Fund Corporation (the "Corporation") was held in public session at the offices of the Rhode Island Economic Development Corporation, 315 Iron Horse Way, Suite 101, Providence, Rhode Island on December 17, 2009 at approximately 9:30 a.m., pursuant to notice of the meeting to all Directors, and public notice of the meeting as required by the By-Laws of the Corporation and by Rhode Island General Law 42-46-6.

The following Directors were present and participated throughout the meeting: Mr. Raymond Fogarty (Chair), Mr. William Parsons, Mr. Thomas Stocker, Mr. Richard DeMerchant and Ms. Leslie Taito.

The following Director(s) were absent: None.

Also present were: J. Michael Saul, Interim Executive Director of the Rhode Island Economic Development Corporation ("EDC"); Earl F. Queenan, Jr., Corporation Administrator; Sean W. Esten, Corporation Administrator; Anthony J. Scolavino, Special Consultant; Thomas V. Moses, Legal Counsel; Carol J. Anguilla, Moses & Afonso, Ltd. and Susan Morgan, Director of Accounting for EDC.

Mr. Fogarty presided over the meeting.

1. Call to Order

Mr. Fogarty called the meeting to order at 9:37 a.m.

2. Approval of the Minutes of the Meeting Held on November 19, 2009

The first item to come before the Board was approval of the Public Session Minutes and the Executive Session Minutes of the Board meeting held on November 19, 2009. Upon motion duly made by Mr. Parsons and seconded by Ms. Taito, the motion to approve the Public Session Minutes and the Executive Session Minutes of the meeting held on November 19, 2009 was duly adopted.

The following Directors voted in favor of the foregoing: Mr. Fogarty, Mr. Parsons, Mr. Stocker, Mr. DeMerchant and Ms. Taito.

The following Directors voted against the foregoing: None.

3. Maintain the Executive Minutes of November 19, 2009 Confidential

The next item to come before the Board was a vote to maintain the confidentiality of the Executive Session Minutes of the Board meeting held on November 19, 2009. Upon motion duly made by Mr. DeMerchant and seconded by Mr. Stocker, the motion to maintain the confidentiality of the Executive Session Minutes of the Board meeting held on November 19, 2009 was duly adopted.

The following Directors voted in favor of the foregoing: Mr. Fogarty, Mr. Parsons, Mr. Stocker, Mr. DeMerchant and Ms. Taito.

The following Directors voted against the foregoing: None.

4. Report of Cash Position as of November 30, 2009

Mr. Scolavino presented the report of Cash Position as of November 30, 2009. Mr. Scolavino informed the Board that the Corporation is in compliance with EDA cash guidelines. Mr. Fogarty inquired whether there was a need to discuss a policy for bridge loans per discussions had at the last Board meeting in November. Mr. Queenan said the Corporation Staff would need to prepare a proposal for the Board's consideration in January or February. Mr. DeMerchant asked whether some of the previously approved loans would not be funded. Mr. Scolavino responded that Rhode Island Carbide received a bank letter of credit and therefore no longer needed the Corporation's funds. He further informed the Board that Digication, Inc. did not meet its benchmarks and therefore would not be receiving the remaining \$75,000 of its loan commitment. Mr. Esten explained Sunshine Oil is still waiting to see if they can get an approval for a guarantee from the Small Business Administration to insure a line of credit with Bank of Newport.

5. Report of Portfolio Activity, Delinquency Loans and Loan Forbearances as of November 30, 2009

Mr. Scolavino presented the report of Portfolio Activity, Loan Delinquency Report and Loan Forbearance Report as of November 30, 2009.

6. Other Business

Corporation staff confirmed that there were no other matters to be discussed during this portion of the public meeting.

7. Executive Session

Mr. Fogarty suggested that the Board move into executive session. Upon motion duly made by Ms. Taito and seconded by Mr. Parsons, the motion to move the meeting into executive session pursuant to Rhode Island Open Meetings Law 42-46-5(a)(6) of the General Laws of the State of Rhode Island, as amended, was duly adopted.

The following Directors voted in favor of the foregoing: Mr. Fogarty, Mr. Parsons, Mr. Stocker, Mr. DeMerchant and Ms. Taito.

The following Directors voted against the foregoing: None.

Public session concluded and executive session began at 9:41 a.m.

8. Return to Public Session

Upon a motion duly made by Mr. Parsons and seconded by Ms. Taito, the motion to conclude executive session and return to public session was duly adopted.

The following Directors voted in favor of the foregoing: Mr. Fogarty, Mr. Parsons, Mr. Stocker, Mr. DeMerchant and Ms. Taito.

The following Directors voted against the foregoing: None.

Executive session concluded and public session began at 9:59 a.m.

9. Executive Session Vote Ratification

Mr. Fogarty called for ratification of the votes adopted during executive session. Upon motion duly made by Mr. Parsons and seconded by Ms. Taito, the following votes were ratified:

To deny the application of Go Go Cast, Inc. for a term loan in the principal amount of \$250,000.00.

To approve the application of DC Enterprise, Inc., d/b/a Village Motor Car for a term loan in the principal amount of \$165,000.00.

The following Directors voted in favor of the foregoing: Mr. Fogarty, Mr. Parsons, Mr. Stocker, Mr. DeMerchant and Ms. Taito.

The following Directors voted against the foregoing: None.

There being no further business to come before the Board, upon motion duly made by Ms. Taito and seconded by Mr. Parson the meeting was adjourned at 10:02 a.m.

Respectfully submitted,

Earl F. Queenan, Jr.
Administrator

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